Lugar Co-operative Threat Reduction (CTR) funds and restricts use of funds for individual CTR programs.

Other objectionable provisions eliminate funding for the Defense Enterprise Fund; restrict the retirement of U.S. strategic delivery systems; slow the pace of the Defense Department's environmental cleanup efforts; and restrict Defense's ability to execute disaster relief, demining, and military-to-military contact programs. The bill also directs the procurement of specific submarines at specific shipyards although that is not necessary for our military mission to maintain the Nation's industrial base.

H.R. 1530 also contains two provisions that would unfairly affect certain service members. One requires medically unwarranted discharge procedures for HIV-positive service members. In addition, I remain very concerned about provisions that would restrict service women and female dependents of military personnel from obtaining privately funded abortions in military facilities overseas, except in cases of rape, incest, or danger to the life of the mother. In many countries, these U.S. facilities provide the only accessible, safe source for these medical services. Accordingly, I urge the Congress to repeal a similar provision that became law in the "Department of Defense Appropriations Act, 1996."

In returning H.R. 1530 to the Congress, I recognize that it contains a number of important authorities for the Department of Defense, including authority for Defense's military construction program and the improvement of hous-

ing facilities for our military personnel and their families. It also contains provisions that would contribute to the effective and efficient management of the Department, including important changes in Federal acquisition law.

Finally, H.R. 1530 includes the authorization for an annual military pay raise of 2.4 percent, which I strongly support. The Congress should enact this authorization as soon as possible, in separate legislation that I will be sending up immediately. In the meantime, I will today sign an Executive order raising military pay for the full 2.0 percent currently authorized by the Congress and will sign an additional order raising pay by a further 0.4 percent as soon as the Congress authorizes that increase.

I urge the Congress to address the Administration's objections and pass an acceptable National Defense Authorization Act promptly. The Department of Defense must have the full range of authorities that it needs to perform its critical worldwide missions.

WILLIAM J. CLINTON

The White House, December 28, 1995.

Note: The Executive order of December 28 on adjustment of certain rates of pay and allowances is listed in Appendix D at the end of this volume. On February 29, 1996, the President signed an Executive order making further adjustments for the uniformed services (61 FR 8467).

Letter to the Speaker of the House of Representatives on Supplemental Legislation To Increase Military Pay and Housing Allowances December 28, 1995

Sir:

Today I returned to Congress without my approval H.R. 1530, the National Defense Authorization Act for fiscal year 1996, which includes authority for the annual military pay raise. I consider passage of the annual military pay raise to be of crucial importance. Accordingly, I ask Congress to consider the enclosed FY 1996 supplemental language request that would authorize a 2.4 percent pay raise and other allowance increases.

I vetoed H.R. 1530 Act because it would restrict my Administration's ability to carry out national security policy and would substantially interfere with the implementation of key national defense programs. Moreover, certain provisions in the Act raised serious constitutional issues by restricting my authority to conduct foreign affairs and to act as Commander in Chief.

Nevertheless, I believe that our men and women in uniform should not be harmed as we work to obtain a bill that I can support. Therefore, I ask the Congress to enact the supplemental language to provide the increases in military pay and housing allowances, effective January 1, 1996, that both Congress and I fully support. If this legislation is not enacted, our military personnel will receive a 2.0 percent raise instead of a needed 2.4 percent raise. The legislation is also required to provide an additional increase in the Basic Allowance for Quarters that will help improve the quality of life of our service members and their families.

Speedy enactment of this legislation is imperative at a time when our military personnel are working under challenging conditions to help implement the peace agreement in Bosnia. I urge Congress to enact this legislation as quickly as possible.

Sincerely,

WILLIAM J. CLINTON

NOTE: This letter was made available by the Office of the Press Secretary but was not issued as a White House press release.

Remarks on the Budget Negotiations and an Exchange With Reporters December 29, 1995

The President. I want to welcome the congressional leaders back here after Christmas. We're going to have, I think, a good meeting today, based on the work that has already been done this morning. I expect us to make further progress.

We will begin to deal with some of the difficult issues today involving how we can balance the budget and protect things like Medicare and Medicaid and education and the environment, which I think are very important. I believe we're proceeding in good faith, and I think we're making progress.

I do believe that we ought to move to reopen the Government. As you know, I feel very strongly about that. The public services will begin to be significantly curtailed. And of course, I'm concerned about the Federal employees, those that aren't working who want to work, who are going to get paid regardless, and those who are working who haven't gotten paid who are going to run into some very serious financial problems with their mortgages and other things soon. So I hope we can get some agreement to reopen the Government so that these problems can be averted.

Q. Is there some room for compromise now that you've had a little bit of time to think it over over the holidays?

The President. Well, we're—I've gotten a preliminary report. I think we'll have some more progress this afternoon, and then I expect we'll work all day tomorrow. I'm prepared to spend whatever time it takes to move as quickly as we can move. But some of these issues are quite complicated in terms of their impact on the American people. But I'm ready to go, and I think that all of us are.

Q. Mr. Speaker, do you see any way of having an agreement that can reopen the Government without the—

Speaker Gingrich. We'll discuss it this afternoon. And I think that Senator Dole and Congressman Armey and I have been trying to work out a way to both get the currently nonessential employees deemed essential, which Senator Dole began to work on last week after our meeting here, and also to find a way to possibly get everyone paid. We feel strongly that Federal employees ought to be back—all the Federal employees ought to be at work. We know they want to be, and it's not fair to them. And we also feel strongly we ought to try to find some way to get everyone paid. We also have an obligation under the continuing resolution that was adopted about 6 weeks ago to get a balanced budget by next Wednesday morning, at the latest, at the end of the first session of Congress.

So I agree with the President. I think there are reasons to be cautiously optimistic. I wouldn't exaggerate them, but I think we've made some progress over the last few days. And I would hope in the next 2 or 3 days we could basically get this done and then have everything up and running and everyone paid for while the staff work was finished out on the actual technical details.